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## **Intellectual Property, Taiwan**

### **Major amendments to customs border measures**

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#### **Introduction**

Recent amendments to the customs border measures, which play a key part in Taiwan's trademark protection strategy, deserve attention. The owner of a trademark registered in Taiwan is allowed to file an application with Customs to have the mark recorded in the customs database; Customs can then seize counterfeits when inspecting imported or exported goods. The legal basis of this mechanism in the Regulations Governing Customs Measures in Protecting the Rights and Interests of Trademark, enacted pursuant to Paragraph 2 of Article 78 of the Trademark Act.

The regulations were amended on December 30 2016 in order to:

- strengthen the protection of the owner of a registered trademark;
- implement e-governance measures; and
- simplify administrative procedures.

They took effect on January 1 2017 and the key major amendments are detailed below.

#### **Protection period extended**

The protection period of one year has been extended to the expiry of the registration period of the trademark.

Before this amendment, the protection period approved by Customs lasted for merely one year, and consequently the owner of a registered trademark had to file an annual renewal application with Customs – this increased the application cost for owners and the workload for Customs. This amendment therefore extended the protection period to the expiry of the registration period. For example, Customs will approve a five-year protection period where the registration period will expire within five years; the owner therefore no longer needs renew every year.

However, Customs will not voluntarily apply this amendment to extend the protection period to the expiry date of the registration period of the trademark. If the owner completes the application for extension of the protection period and obtains approval from Customs before the expiry of the protection period on a given date in 2017, Customs will apply the amendment and the protection period will extend to the expiry of the registration period.

Further, when an application for protection is filed, the owner should submit sufficient electronic image files to help Customs to identify the defining characteristics of genuine goods and counterfeit goods (eg, photographs or catalogues of genuine goods, counterfeit goods or a comparison between both) and, according to Paragraph 1.2 of Article 3 of the amendment, the images should depict the designated goods of the registered trademark. Customs will therefore reject electronic image files of "non-designated goods of the registered trademark".

The owner may file an application to Customs for an extension of the protection period only when the renewal of the registration period is approved by the Taiwan Intellectual Property Office.

This amendment will alleviate procedural burdens.

#### **Notification methods**

Customs may now notify the owner of likely infringements by means of oral notice, text, telephone, email or fax.

Previously, Customs would notify the owner by means of telephone and fax when there was a risk of trademark infringement by the imported or exported goods in question. However, Paragraph 3 of Article 7 of this amendment provides that "when dealing with the notification, Customs may convey such by means of oral notice, text, telephone, email or facsimile and make a record attached to the file". After this amendment, in practice, where Customs contacts owners merely by means of telephone instead of the more commonly used means of fax, the owner may miss the call and therefore lose the opportunity to verify the imported or exported goods in question onsite.

### **Goods verification**

Customs may provide the owner of a registered trademark with photographs of suspected infringing goods in order to help the owner decide whether to verify the goods onsite.

Before this amendment, from July 1 2015, Customs had begun to provide the owner of a registered trademark with photographs if it found the trademark and copyright of the owner likely to be infringed. The aim was to help the owner determine whether to verify the suspected infringing goods onsite so as to strengthen the IP rights protection and facilitate customs clearance procedures; however, this statement appeared only in a Customs press release.

Paragraph 5 of Article 7 of this amendment therefore expressly provides that the owner of a registered trademark may, after receiving notification from Customs, make a request to Customs for providing photographs of suspected infringing goods so as to determine whether to verify the goods onsite.

It will be added that photo files of suspected infringing goods provided by Customs must be used only to help the owner of a registered trademark to determine whether to verify the goods onsite and must not be the basis of infringement or non-infringement evidence.

With regard to "mak[ing] a request to Customs for providing photos of suspected infringing goods" the owner of a registered trademark, in practice, may request Customs personnel to take colour photographs of samples and email them to the owner or his or her agent. If the suspected infringing goods are identified as genuine goods, the owner or his or her agent does not bother to verify them onsite; however, if there are difficulties, the owner should go to Customs or authorise his or her agent to verify them onsite.

### **Premature protection period termination**

The protection period approved by Customs has been extended to the expiry of the 10-year registration period – this may be extended by 10-year increments on request. During such a long registration period, anything could happen. Moreover, only under the assistance of the owner or his or her agent can Customs implement the requested trademark protection measures. Article 5 of this amendment therefore provides "circumstances where Customs may prematurely terminate the protection period", including that "Customs cannot get in contact with the proprietor of a registered trademark or his/her agent by the information specified in the application form of protection" and:

*"the proprietor of a registered trademark who has no domicile or business establishment in the territory of the [Republic of China] had an agent but the agent contract had been rescinded or abolished in any other circumstances which does not meet the requirement of appointing an agent in the proviso of Paragraph 1 of Article 14 of the Regulations."*

In principle, it is up to the owner to decide whether to use an agent when dealing with Customs-related affairs. However, if the owner has no domicile or business in Taiwanese territory, Paragraph 1 of Article 14 of this amendment regulates that mandatory agency will apply and the designated agent will have a domicile in Taiwan so as to facilitate the implementation of trademark protection measures by Customs – for instance, contacting the owner of a registered trademark to verify suspected infringing goods onsite or the delivery of documents.

Although this amendment does not specify that the owner may upload "(a blacklist of) suspected infringers" (which is allowed), in practice the trademark rights protection application form provided by Customs, either before or after this amendment, is designed with a 'blacklist' field to ensure that Customs pay special attention to goods imported and exported by suspected vendors. This field is especially useful in improving the effectiveness of protection requested by the owner of a registered trademark when the owner is struggling to find specific facts and evidence proving that suspected vendors have imported or exported counterfeits. The owner can make good use of this field.

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